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TAGS: [PGOV](#) [PREL](#) [PHUM](#) [ASEC](#) [ET](#) [ER](#) [SO](#)
SUBJECT: ETHIOPIA: SIMULTANEOUS STRUGGLES FOR DEMOCRACY AND
SECURITY

Classified By: Charge Vicki Huddleston for reasons 1.4 (b) and (d).

¶1. (C) SUMMARY: Ethiopia currently finds itself engaged in simultaneous struggles for democratization and security amid extremely difficult circumstances. Eritrea is providing material support to both the GOE's internal opponents and its newest external nemesis, the Council of Islamic Courts (CIC) in Mogadishu. The success of the CIC in southern Somalia has provided a staging ground both for Somali jihadists whose declared aim is prying loose Ethiopia's Somali Region, with support from Ogaden National Liberation Front (ONLF), as well as for the Oromo Liberation Front (OLF), an internal insurgency with wide support in Ethiopia's largest region. As the GOE has turned some of its attention and military force to confront this new threat from the south, the Eritrean armed forces recently occupied portions of the Temporary Security Zone on Ethiopia's northern border. In the midst of these security challenges, the GOE must continue to make progress in opening political space for the opposition or face increased risks of new internal unrest as well as the possibility of reductions in badly-needed support from international donors. For now, the GOE remains firmly in control and has recently assured USG visitors that it can manage multiple external threats and still keep the democratization process on track.

¶2. (C) In this message, post's country team seeks to analyze in a holistic way the multiple political developments occurring simultaneously both in and around Ethiopia, as well as offer some thoughts on how the USG can interpret and respond to them. Our basic analysis is that Ethiopia, our principal strategic partner in the Horn of Africa and the second most populous nation on the continent, is under severe pressure and will need steady engagement from the USG to successfully cope with external threats while accomplishing a transition to a genuine democratic order -- one that will ultimately promote real stability. Without sustained U.S. political support mixed with prodding on human rights and democracy, Ethiopia runs the risk of descending into Sudan-like chaos and civil war over the next several years. End Summary.

GOVERNANCE/PARTICIPATION REMAIN FUNDAMENTAL WEAKNESSES

¶3. (C) Since overthrowing the oppressive Derg regime fifteen years ago, the Ethiopian People's Revolutionary Democracy Front (EPRDF) has demonstrated its ability to maintain

stability and relative security in an ethnically diverse nation of over 75 million inhabitants. The vanguard Tigrayan People's Liberation Front (TPFL), hamstrung by its origins as a guerrilla organization steeped in Marxism and dominated by an ethnic minority constituting roughly seven percent of Ethiopia's population, was nevertheless able to consolidate its hold on power by building a network of alliances (the EPRDF) with groups who claimed to represent Ethiopia's major ethnic groups. The EPRDF promised respect for local autonomy and an end to the long-standing "domination" of Amharas under both the Derg and several emperors stretching back into the nineteenth century. Along with the radical new approach of "ethnic federalism", the EPRDF also proclaimed its intention to both democratize Ethiopia's authoritarian political culture and lead the country's emergence from chronic famine and abject poverty.

14. (C) The EPRDF survived a bloody conflict with Eritrea in 1998-2000, a nasty internal battle within the party in 2001 and most recently a massive wave of popular protest against irregularities in the May 2005 elections. It has also delivered to some extent on its promise of economic development, building a generally positive relationship with donors and making considerable progress in education and health care, particularly in rural areas. Despite these characteristics of a strong state, however, the EPRDF continues to suffer from several fundamental weaknesses. Chief among these is the party leadership's insistence on absolute control of all decision-making and reluctance to work with, or in some cases even tolerate the existence of, independent-minded political organizations. Local observers argue that this political inflexibility drove both the OLF and the ONLF from the EPRDF fold in the early days following the fall of the Derg, forcing the EPRDF to rely since then on

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hand-picked Oromo and Somali allies who do not enjoy extensive popular support in the regions they are supposed to represent. The EPRDF has also developed organizations to perform a similar role in the Amhara and Southern Nations and Nationalities Region (SNNPR). This weak scheme of representation has in turn forced the EPRDF to resort in some cases to intimidation, and allegedly to manipulation of government benefits like subsidized fertilizer, in order to maintain control in large swathes of the country. The marginalization of non-Tigrayans in the armed forces has also accentuated the sense of disenfranchisement of some ethnic groups, particularly Oromos. In the case of the Somali region, the EPRDF's inability to address the needs of, or win over, the local population is simply a continuation of the Ethiopian state's centuries-old concentration on the highlands.

15. (C) The EPRDF's most immediate internal vulnerability probably remains popular frustration, especially in Addis Ababa and other urban areas, over the disputed 2005 election and the subsequent imprisonment of senior leaders from the largest, Amhara-dominated opposition movement, the Coalition for Unity and Democracy (CUD). While it appears unlikely that massive, violent street riots like those in November 2005 will occur again soon, allegations of election fraud and the harsh crackdown on suspected CUD supporters last November further alienated a significant portion of Ethiopia's population. Recent GOE efforts to discuss reforms with opposition parties, including the majority of CUD MPs that eventually chose to enter Parliament, have helped restore a sense of normalcy and some progress on democratization, though many Ethiopians' political sentiments remain focused on imprisoned CUD leaders. PM Meles has made clear, public commitments to deepen Ethiopian democracy and has said that Ethiopia's survival depends upon it. The problem for the EPRDF is, of course, that more independent institutions and free elections may well lead in the medium term to a fundamental political re-ordering in Ethiopia. Lidetu Ayalew, a prominent opposition leader, told the Charge recently that for democratic change to occur, Ethiopia's

political system must ultimately be made safe for the EPRDF to survive in the minority. This is not currently the case.

ERITREA EAGER TO EXPLOIT VULNERABILITIES

¶6. (C) The EPRDF emerged bloodied but victorious from a military attack initiated by Eritrea, a new nation whose independence the EPRDF itself facilitated in 1993. Eritrea was unsuccessful in its attempt to seize territory militarily from Ethiopia in 1998, and has subsequently been unable to claim the territorial "victories" it won through the subsequent ruling of the Ethio-Eritrean Border Commission (EEBC). Local analysts, including both those friendly to the EPRDF as well as its opponents, have long argued that Eritrean President Isaias' ultimate goal is not the recovery of territory administered by Eritrea under colonial governments. Rather, Isaias is determined to cut Ethiopian Prime Minister Meles Zenawi, his erstwhile ally in overthrowing the Derg, down to size and enhance Eritrea's relative influence in the region in the process. The GOE maintains that, having understood he will not succeed against Ethiopia in a frontal assault, Isaias has over the last year developed and refined a strategy to topple the EPRDF through a combination of supporting internal opponents and creating a "second front" in Somalia.

¶7. (C) PM Meles commented recently on these efforts in an address to Parliament, arguing that Eritrean support has brought together many enemies of the EPRDF whose agendas are mutually contradictory. He pointed out that some of those enemies, including some elements of the CUD, actually opposed Eritrea's continued existence as a state, but are still willing to accept financial and other material support from Isaias. Meles was undoubtedly referring to the Alliance for Freedom and Democracy (AFD), a coalition that for the first time includes both the OLF and Amhara opponents of the government, including some supporters of the CUD and the small Amhara insurgency known as the Ethiopian People's Patriotic Front (EPPF). Two of the central tenets of the CUD campaign platform in 2005 were to oppose ethnic federalism and, to some degree, the independence of Eritrea. The OLF

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and ONLF, for their part, have long advocated referendums on the Oromiya and Somali regions' continued links to the Ethiopian state. These opposition movements have nevertheless joined together in the AFD, which is principally active in the Diaspora. The AFD has allegedly been encouraged behind the scenes by Eritrean officials who have also offered financial support to the effort. While the AFD's stated agenda is an all-inclusive conference (including the EPRDF) to discuss Ethiopia's future, the fact remains that several of its members are simultaneously conducting "armed struggle" against the GOE. The GOE has not surprisingly rejected the AFD proposal.

SECOND FRONT IN SOMALIA CHANGES EQUATION

¶8. (S/NF) UN reports and clandestine reporting confirm that Eritrea, along with other states, have been supplying arms, training and financial support to the CIC in southern Somalia. Since Eritrea, a largely Christian state, has little motivation to support Islamic fundamentalism per se, its principal reason for backing CIC radicals is presumably to weaken rival Ethiopia. CIC leader Sheik Hassan Dahir Aweys fought against the GOE as a member of Al-Itihad Al-Islamiya (AIAI) in the 1990's and has long advocated the concept of "Greater Somalia" that would join Ethiopia's extensive Somali region with Somalia and parts of Kenya as well. In his recent rise to prominence, Aweys had used strident anti-Ethiopian rhetoric to rally support inside Somalia, and has also deepened cooperation with fighters from

the OLF and ONLF. The CIC's call for jihad against what many in the Arab League consider a "Christian" state, poses even broader risks. Extremists consider Ethiopia an "apostate" state that was once Islamic. Muslims today make up at least 45 percent of the country's population and preserving the delicate balance between Orthodox Christians and Muslims is critical to Ethiopia's success as a developing state.

¶9. (C) The CIC's success in establishing control in Mogadishu and southern Somalia fundamentally changes the strategic equation for Ethiopia. A radical, hostile government in Mogadishu can, at a minimum, provide material support to the ONLF insurgency in the Somali region and the OLF insurgency in Oromiya. Some OLF and ONLF fighters who trained with the CIC in Somalia have reportedly already filtered back into Ethiopia. As many as 1,000 OLF/ONLF insurgents are fighting alongside the CIC in the expectation that they will move into Ethiopia if the CIC takes over Southern Somalia. An Islamist government in Somalia will likely allow AIAI safe haven and do nothing to stop terrorist attacks against foreign and domestic targets in Ethiopia. The CIC's Aweys previously led AIAI attacks in Ethiopia. allegedly did while fighting with AIAI. This threat would worsen still further if the CIC were to extend its control into Puntland and Somaliland, establishing a long arc of hostile, sparsely populated borderlands that the GOE would be hard-pressed to defend. Faced with real threats to its national security, the GOE is pursuing a varied strategy to counter the influence of the CIC. Ethiopia will respond militarily if the TFG is attacked in Baidoa, since if the TFG falls the CIC will become the de facto government of Somalia.

¶10. (C) The GOE does not want to attack the CIC because it fears negative international opinion could cause a reduction in foreign assistance. Many analysts have focused on the potential for an Ethiopian attack to galvanize support behind the CIC in Somalia and create heavier resistance. Another risk is that intensified ethnic divisions and a general crisis of morale within the Ethiopian National Defense Forces (ENDF) might have reduced the readiness of the ENDF to confront a motivated enemy like the CIC. General disaffection with the ruling party may reduce the willingness of some soldiers to fight, and might interfere with the usual tendency of Ethiopian civilians to unite against a common external enemy. In fact, radical elements of the CUD are believed to be maintaining a clandestine network of "cells" in Addis and elsewhere who might seize on the GOE's perceived over-extension. Finally, Eritrea's recent move to send several mechanized military units into the UN-patrolled Temporary Security Zone (TSZ) between the two countries was a stark reminder that President Isaias may be planning to strike again in the North if Ethiopia becomes bogged down in

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Somalia.

¶11. (C) The bottom line for the GOE, however, is that it cannot allow the TFG to fall to the CIC. If Baidoa is attacked, the GOE will defend it. The GOE's hope is that the international community will rally more forcefully behind the TFG before so that Ethiopia can legitimately defend it from being ousted by the Islamic Courts. If the UN partially lifts the arms embargo on the TFG and authorizes IGASOM deployment, this may discourage the CIC from attacking the TFG in Baidoa, thereby keeping Ethiopia out of direct confrontation. In addition, the presence of IGASOM would give the TFG credibility at the Khartoum talks. If the UN lifts the embargo, the TFG can seek to protect itself and strengthen the anti-CIC coalition, including the international community, rather than leaving Ethiopia as the sole "enemy" (in the CIC's rhetoric.)

"DEVELOPMENTAL STATE" PROUD, BUT DEPENDENT ON DONOR SUPPORT

¶12. (C) Prime Minister Meles recently wrote in a widely-read essay for a conference that the GOE is a "developmental state" with a strong commitment to addressing Ethiopia's chronic poverty and food insecurity. Meles' treatise referred admiringly to the track record of ruling parties in East Asia that remained in power for several decades, long enough (he argued) to maintain a steady policy focus. In fact, most donors including the World Bank believe that the GOE has been exceptionally effective at improving access to health and education. The GOE has also revised its overall development strategy from one focused almost exclusively on improving the lot of subsistence farmers to a broader one based on more efficient markets and encouraging urban growth corridors to absorb excess labor from the countryside. Ethiopia's roughly seven percent economic growth over the last three years has been impressive, fueled by massive public investment, increasing exports and good rains.

¶13. (C) The GOE reacted with muted defiance when key donors -- including the World Bank, EU and UK -- suspended foreign aid flows in reaction to the November crackdown on demonstrators and opposition leaders. PM Meles calmly told the press that donors could spend their money however they saw fit. At the same time, however, the GOE remains heavily dependent on foreign assistance flows. The roughly \$2 billion in foreign assistance Ethiopia receives annually plays a key role in easing pressure on Ethiopia's balance of payments position, compensating for a large trade deficit. The GOE maintains foreign currency reserves equivalent to less than three months of imports, and the temporary suspension of Direct Budget Support (DBS) from several major donors in late 2005 forced the National Bank of Ethiopia to ration hard currency for the first part of 2006, until aid flows from some major donors resumed. The GOE scaled back development projects and spending on some infrastructure improvements in response to falling assistance flows, and also increased borrowing from state owned banks during this period, probably increasing inflationary pressures somewhat in the process. If donors again cut funding in response to future political conflict in Ethiopia, whether a war or another crackdown on the opposition, the country would again be vulnerable to macroeconomic instability.

NEEDED: DEMOCRATIZATION, STEADY INTERNATIONAL ENGAGEMENT

¶14. (C) As noted above, Ethiopia faces multiple pressures, including military threats on nearly all sides, ethnically-based domestic insurgencies and demands for a more representative political system from Ethiopians themselves. With apologies to Embassy Asmara, Eritrean President Isaias' ultimate objective appears to be to provoke a break-up of Ethiopia in order to increase his own power and influence in the region, rather than addressing real concerns about particular points along the border. Despite Eritrea's small size and limited resources, Isaias appears to be pushing all the right buttons both within Ethiopia and beyond. He is exploiting real weaknesses in the EPRDF's structure and mode of governance, of course, and the GOE is likely to remain vulnerable until those weaknesses are addressed. At the same

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time, no political force currently in the opposition appears to offer a coherent, reliable alternative to govern Ethiopia's diverse population and far-flung territory, particularly given a very dangerous neighborhood. While not sufficiently inclusive or representative, the EPRDF has demonstrated that it has the toughness, internal discipline and organizational effectiveness to maintain order in this challenging environment, at least for the time being.

¶15. (C) Post believes that steady international engagement will be necessary to keep situation in the largest nation in the Horn of Africa from deteriorating over the next several years. The first order of business will be to recognize

Ethiopia's legitimate security concerns with respect to Somalia and Eritrea, both of which appear to be pursuing aggressive agendas that threaten Ethiopia's territorial integrity and political stability. This may require some new thinking with respect to the Ethio-Eritrean border dispute, as well as an increased international role in Somalia to lessen Ethiopia's burden in confronting extremists. It will also be critical to for the international c community increase assistance in infrastructure -- and improve governance -- in previously neglected and unstable areas like the Somali, Southern Nations and Afar regions, building the capacity of the Ethiopia state along the way.

¶16. (C) The second major challenge will be to maintain a robust but supportive dialogue with the EPRDF concerning the need for continued progress on democratization. Upcoming inter-party talks on the reforms to the National Electoral Board and the draft media law will be early tests of the GOE's commitment in this area, but the next major milestone will be local elections (septel) tentatively scheduled for April 2007. Right now the climate is not propitious for elections, given continuing restrictions on opposition activity and the lack of public confidence in the electoral process. Donors, and especially the USG, should continue emphasizing the importance of increasing space for peaceful political competition in order to reduce incentives for joining violent political movements. Opposition movements, on the other hand, must be convinced to embrace the democratic political process unambiguously, and to avoid associating with Eritrea and other actors who seek the overthrow of the EPRDF by non-democratic means.

¶17. (C) Despite the GOE's expressed willingness to forego assistance before yielding to pressure, donors may find that they can exercise a fair amount of influence over EPRDF behavior if they focus on broad trends and key junctures in the democratization process, linking them to increases or decreases in development resources, and avoid over-reacting to single episodes of disturbing behavior. Donors must also allow for the difficult security context in which democratization must take place. The existing governance matrix developed jointly between donors and the GOE provides a road-map -- albeit somewhat cumbersome -- for such an approach. In addition to the flow of aid resources, the GOE no doubt values the political support that donors provide indirectly by remaining engaged.

HUDDLESTON